



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: August 19, 2008
TO: Mayor and Councilmembers
FROM: Treasury Division, Finance Department
SUBJECT: July 2008 Investment Report

RECOMMENDATION:

That Council accept the July 2008 Investment Report.

DISCUSSION:

The attached investment report includes Investment Activity, Interest Revenue, a Summary of Cash and Investments, and Investment Portfolio detail as of July 31, 2008.

ATTACHMENT: July 2008 Investment Report
SUBMITTED BY: Robert D. Peirson, Finance Director
APPROVED BY: City Administrator's Office

CITY OF SANTA BARBARA
Activity and Interest Report
July 31, 2008

INVESTMENT ACTIVITY

PURCHASES OR DEPOSITS

07/01	Santa Barbara Airport Promissory Note	\$ 7,800,000
07/08	LAIF Deposit/City	1,000,000
07/22	LAIF Deposit/City	1,200,000
	Total	\$ 10,000,000

SALES, MATURITIES, CALLS OR WITHDRAWALS

07/03	LAIF Withdrawal/City	\$ (500,000)
07/11	LAIF Withdrawal/City	(1,600,000)
07/17	LAIF Withdrawal/City	(1,000,000)
07/18	LAIF Withdrawal/City	(2,000,000)
07/29	LAIF Withdrawal/City	(500,000)
07/31	LAIF Withdrawal/City	(2,000,000)
	Total	\$ (7,600,000)

ACTIVITY TOTAL

\$ 2,400,000

INTEREST REVENUE

POOLED INVESTMENTS

Interest Earned on Investments	\$ 559,314
Amortization	29,704
SBB&T Sweep Account Interest	2,675
SBB&T Trust Account M/M Interest	311
Total	\$ 592,004

RDA INVESTMENTS

Interest Earned on Investments (LAIF)	\$ 38,395
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TOTAL INTEREST EARNED

\$ 630,399

CITY OF SANTA BARBARA
Summary of Cash and Investments
July 31, 2008

ENDING BALANCE AS OF JUNE 30, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 34,700,000	2.900%	21.51%	1
Certificates of Deposit	2,000,000	5.000%	1.24%	140
Treasury Securities - Coupon	3,980,591	4.751%	2.47%	274
Federal Agency Issues - Coupon	101,460,990	4.766%	62.89%	899
Corporate/Medium Term Notes	19,200,876	4.929%	11.90%	530
Totals and Averages	\$ 161,342,457	4.387%	100.00%	637
SBB&T Money Market Account	3,579,501			
Total Cash and Investments	\$ 164,921,958			

NET CASH AND INVESTMENT ACTIVITY FOR JULY 2008 **\$ 1,473,686**

ENDING BALANCE AS OF JULY 31, 2008

Description	Book Value	Yield to Maturity (365 days)	Percent of Portfolio	Average Days to Maturity
State of California LAIF	\$ 29,300,000	2.787%	17.89%	1 (1)
Certificates of Deposit	2,000,000	5.000%	1.22%	109
Treasury Securities - Coupon	3,983,142	4.751%	2.43%	243
Federal Agency Issues - Coupon	101,482,632	4.766%	61.97%	868
Corporate/Medium Term Notes	19,206,386	4.929%	11.73%	499
SB Airport Promissory Note	7,800,000	6.500%	4.76%	153
Totals and Averages	\$ 163,772,160	4.516%	100.00%	611
SBB&T Money Market Account	2,623,484			
Total Cash and Investments	\$ 166,395,644			

Note:

(1) The average life of the LAIF portfolio as of July 31, 2008 is 222 days.

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
LOCAL AGENCY INVESTMENT FUNDS											
LOCAL AGENCY INVESTMENT FUND	-	-	-	-	2.787	2.787	13,100,000.00	13,100,000.00	13,100,000.00	0.00	
LOCAL AGENCY INV FUND/RDA	-	-	-	-	2.787	2.787	16,200,000.00	16,200,000.00	16,200,000.00	0.00	
Subtotal, LAIF							29,300,000.00	29,300,000.00	29,300,000.00	0.00	
CERTIFICATES OF DEPOSIT											
MONTECITO BANK & TRUST	11/18/06	11/18/08	-	-	5.000	5.000	2,000,000.00	2,000,000.00	2,000,000.00	0.00	
Subtotal, Certificates of deposit							2,000,000.00	2,000,000.00	2,000,000.00	0.00	
TREASURY SECURITIES - COUPON											
U S TREASURY NOTE	05/19/06	05/15/09	Aaa	AAA	4.875	5.000	2,000,000.00	1,998,193.17	2,042,340.00	44,146.83	
U S TREASURY NOTE	02/01/06	02/15/09	Aaa	AAA	3.000	4.501	2,000,000.00	1,984,949.32	2,011,560.00	26,610.68	
Subtotal, Treasury Securities							4,000,000.00	3,983,142.49	4,053,900.00	70,757.51	
FEDERAL AGENCY ISSUES - COUPON											
FEDERAL FARM CREDIT BANK	03/07/06	04/15/09	Aaa	AAA	4.125	5.000	2,000,000.00	1,988,672.24	2,018,440.00	29,767.76	
FEDERAL FARM CREDIT BANK	08/17/06	08/17/09	Aaa	AAA	5.125	5.150	2,000,000.00	1,999,519.56	2,045,000.00	45,480.44	
FEDERAL FARM CREDIT BANK	11/07/06	01/18/11	Aaa	AAA	5.750	5.000	2,000,000.00	2,032,861.85	2,110,630.00	77,768.15	
FEDERAL FARM CREDIT BANK	06/02/06	02/18/09	Aaa	AAA	5.260	5.280	2,000,000.00	1,999,822.38	2,027,190.00	27,367.62	
FEDERAL FARM CREDIT BANK	08/28/06	12/17/08	Aaa	AAA	3.700	5.170	2,000,000.00	1,989,635.13	2,007,810.00	18,174.87	
FEDERAL FARM CREDIT BANK	01/29/07	08/25/10	Aaa	AAA	4.750	5.111	2,000,000.00	1,986,473.78	2,060,940.00	74,466.22	
FEDERAL FARM CREDIT BANK	01/29/07	01/22/09	Aaa	AAA	5.010	5.150	2,000,000.00	1,998,743.28	2,021,570.00	22,826.72	
FEDERAL FARM CREDIT BANK	02/01/08	02/01/13	Aaa	AAA	3.790	3.790	2,000,000.00	2,000,000.00	1,963,750.00	(36,250.00)	Callable 2/01/10, then cont.
FEDERAL HOME LOAN BANK	10/25/06	02/12/10	Aaa	AAA	3.875	5.117	1,000,000.00	982,685.51	1,012,660.00	29,974.49	
FEDERAL HOME LOAN BANK	12/18/06	11/03/09	Aaa	AAA	3.500	4.834	2,000,000.00	1,969,036.91	2,012,500.00	43,463.09	
FEDERAL HOME LOAN BANK	05/22/07	06/10/11	Aaa	AAA	5.250	5.005	2,000,000.00	2,012,491.98	2,093,750.00	81,258.02	
FEDERAL HOME LOAN BANK	07/09/07	02/15/11	Aaa	AAA	4.000	5.308	2,000,000.00	1,940,195.06	2,029,370.00	89,174.94	
FEDERAL HOME LOAN BANK	07/09/07	03/12/10	Aaa	AAA	5.000	5.268	1,000,000.00	995,939.64	1,030,470.00	34,530.36	
FEDERAL HOME LOAN BANK	02/13/08	02/13/13	Aaa	AAA	3.850	4.001	2,000,000.00	1,999,093.33	1,960,310.00	(38,783.33)	Callable 8/13/08, then cont.
FEDERAL HOME LOAN BANK	09/14/06	09/29/10	Aaa	AAA	5.125	5.070	1,000,000.00	1,001,005.25	1,038,280.00	37,274.75	
FEDERAL HOME LOAN BANK	05/10/07	11/10/10	Aaa	AAA	5.125	5.125	2,000,000.00	2,000,000.00	2,013,120.00	13,120.00	Callable 11/10/08, once
FEDERAL HOME LOAN BANK	05/21/07	06/12/09	Aaa	AAA	5.250	5.000	2,000,000.00	2,004,020.76	2,040,000.00	35,979.24	
FEDERAL HOME LOAN BANK	04/02/08	04/02/13	Aaa	AAA	4.150	4.150	2,000,000.00	2,000,000.00	1,989,690.00	(10,310.00)	Callable 1/02/09, then qtrly
FEDERAL HOME LOAN BANK	04/21/08	10/21/11	Aaa	AAA	3.125	3.125	2,000,000.00	2,000,000.00	1,965,010.00	(34,990.00)	Callable 7/21/09, once
FEDERAL HOME LOAN BANK	04/22/08	04/22/13	Aaa	AAA	4.000	4.112	2,000,000.00	1,992,750.00	1,964,690.00	(28,060.00)	Callable 4/22/09, then qtrly
FEDERAL HOME LOAN BANK	05/23/08	06/10/11	Aaa	AAA	3.125	3.520	2,000,000.00	1,978,669.59	1,979,060.00	390.41	
FEDERAL HOME LOAN BANK	02/17/06	02/17/11	Aaa	AAA	5.020	5.020	2,000,000.00	2,000,000.00	2,022,190.00	22,190.00	Callable 2/17/09, once
FEDERAL HOME LOAN BANK	09/08/06	09/08/09	Aaa	AAA	5.250	5.250	1,000,000.00	1,000,000.00	1,002,810.00	2,810.00	Callable 9/08/08, once
FEDERAL HOME LOAN BANK	03/24/06	09/23/08	Aaa	AAA	5.520	5.015	1,000,000.00	1,000,677.33	1,004,060.00	3,382.67	

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
FEDERAL HOME LOAN BANK	06/02/06	12/12/08	Aaa	AAA	4.750	5.270	1,000,000.00	998,246.62	1,007,500.00	9,253.38	
FEDERAL HOME LOAN BANK	08/18/06	08/18/10	Aaa	AAA	5.470	5.470	2,000,000.00	2,000,000.00	2,002,500.00	2,500.00	Callable 8/18/08, once
FEDERAL HOME LOAN BANK	10/18/06	09/11/09	Aaa	AAA	5.250	5.060	1,000,000.00	1,001,883.03	1,023,750.00	21,866.97	
FEDERAL HOME LOAN BANK	11/07/06	10/26/09	Aaa	AAA	5.000	5.000	2,345,000.00	2,344,980.48	2,402,898.05	57,917.57	
FEDERAL HOME LOAN BANK	11/08/06	07/30/10	Aaa	AAA	5.000	5.010	2,000,000.00	1,999,549.96	2,069,690.00	70,140.04	
FEDERAL HOME LOAN BANK	12/06/06	12/12/08	Aaa	AAA	5.000	4.700	2,000,000.00	2,002,020.94	2,016,880.00	14,859.06	
FEDERAL HOME LOAN BANK	12/18/06	06/22/10	Aaa	AAA	4.500	4.825	2,000,000.00	1,988,804.45	2,049,060.00	60,255.55	
FEDERAL HOME LOAN BANK	12/29/06	09/12/08	Aaa	AAA	5.000	5.000	2,000,000.00	1,999,989.30	2,005,000.00	5,010.70	
FEDERAL HOME LOAN BANK	05/21/07	05/15/09	Aaa	AAA	4.250	5.005	1,450,000.00	1,441,867.82	1,465,863.00	23,995.18	
FEDERAL HOME LOAN BANK	06/18/07	03/12/10	Aaa	AAA	4.875	5.382	2,000,000.00	1,984,884.55	2,057,190.00	72,305.45	
FEDERAL HOME LOAN BANK	05/22/08	05/22/13	Aaa	AAA	4.350	4.350	2,000,000.00	2,000,000.00	1,997,810.00	(2,190.00)	Callable 05/22/09, then qtrly
FEDERAL HOME LOAN BANK	06/16/08	12/10/10	Aaa	AAA	3.250	3.800	2,000,000.00	1,975,384.70	1,996,560.00	21,175.30	
FEDERAL HOME LOAN MTG CORP	03/26/08	03/26/13	Aaa	AAA	4.200	4.200	2,000,000.00	2,000,000.00	1,977,200.00	(22,800.00)	Callable 3/26/09, then qtrly
FEDERAL HOME LOAN MTG CORP	04/16/08	04/16/13	Aaa	AAA	4.000	4.000	2,000,000.00	2,000,000.00	1,980,460.00	(19,540.00)	Callable 10/16/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/14/06	09/01/09	Aaa	AAA	4.125	5.070	1,000,000.00	990,595.41	1,012,380.00	21,784.59	
FEDERAL HOME LOAN MTG CORP	11/30/06	11/14/11	Aaa	AAA	5.350	5.250	2,000,000.00	2,001,252.39	2,011,900.00	10,647.61	Callable 11/14/08, once
FEDERAL HOME LOAN MTG CORP	05/29/07	07/06/10	Aaa	AAA	4.500	5.070	2,000,000.00	1,979,803.31	2,049,860.00	70,056.69	
FEDERAL HOME LOAN MTG CORP	10/15/07	10/15/12	Aaa	AAA	5.050	5.050	2,000,000.00	2,000,000.00	2,038,980.00	38,980.00	Callable 10/15/09, once
FEDERAL HOME LOAN MTG CORP	04/02/08	04/02/12	Aaa	AAA	3.375	3.375	2,000,000.00	2,000,000.00	1,965,080.00	(34,920.00)	Callable 4/02/09, once
FEDERAL HOME LOAN MTG CORP	06/04/08	06/04/13	Aaa	AAA	4.550	4.550	5,000,000.00	5,000,000.00	5,007,350.00	7,350.00	Callable 9/04/08, then qtrly
FEDERAL HOME LOAN MTG CORP	09/08/06	09/08/11	Aaa	AAA	5.500	5.500	1,000,000.00	1,000,000.00	1,002,660.00	2,660.00	Callable 9/08/08, once
FEDERAL HOME LOAN MTG CORP	01/29/07	01/25/10	Aaa	AAA	4.375	5.122	2,000,000.00	1,979,692.12	2,039,080.00	59,387.88	
FEDERAL HOME LOAN MTG CORP	04/20/07	04/20/12	Aaa	AAA	5.250	5.250	2,000,000.00	2,000,000.00	2,032,080.00	32,080.00	Callable 4/20/09, once
FEDERAL HOME LOAN MTG CORP	05/22/07	09/17/10	Aaa	AAA	3.880	5.015	2,000,000.00	1,955,937.37	2,026,380.00	70,442.63	
FEDERAL HOME LOAN MTG CORP	01/09/08	01/09/12	Aaa	AAA	4.250	4.250	2,000,000.00	2,000,000.00	2,004,980.00	4,980.00	Callable 1/09/09, then qtrly
FEDERAL NATL MORTGAGE ASSN	04/27/06	04/20/10	Aaa	AAA	4.750	5.270	2,000,000.00	1,984,043.36	2,055,940.00	71,896.64	
FEDERAL NATL MORTGAGE ASSN	01/12/07	02/24/09	Aaa	AAA	3.740	5.000	2,000,000.00	1,986,647.82	2,010,940.00	24,292.18	
FEDERAL NATL MORTGAGE ASSN	04/17/07	03/06/09	Aaa	AAA	4.625	5.001	2,000,000.00	1,995,738.00	2,022,190.00	26,452.00	
FEDERAL NATL MORTGAGE ASSN	05/21/07	11/03/08	Aaa	AAA	4.900	5.100	2,000,000.00	1,999,016.55	2,011,260.00	12,243.45	
FEDERAL NATL MORTGAGE ASSN	03/05/08	03/05/13	Aaa	AAA	4.100	4.100	2,000,000.00	2,000,000.00	1,997,810.00	(2,190.00)	Callable 3/05/10, once
Subtotal, Federal Agencies							101,795,000.00	101,482,631.76	102,754,531.05	1,271,899.29	
CORPORATE/MEDIUM TERM NOTES											
BERKSHIRE HATHAWAY FIN	01/15/08	01/15/10	Aaa	AAA	4.125	3.630	2,250,000.00	2,265,490.75	2,269,575.00	4,084.25	
GENERAL ELECTRIC CAPITAL CORP	01/10/07	02/22/11	Aaa	AAA	6.125	5.100	2,000,000.00	2,046,683.89	2,087,680.00	40,996.11	
GENERAL ELECTRIC CAPITAL CORP	08/15/06	09/15/09	Aaa	AAA	4.625	5.300	2,000,000.00	1,986,162.09	2,023,640.00	37,477.91	
GENERAL ELECTRIC CAPITAL CORP	02/10/06	06/15/09	Aaa	AAA	4.000	5.000	1,000,000.00	992,045.77	1,003,330.00	11,284.23	
GENERAL ELECTRIC CAPITAL CORP	04/17/07	06/15/09	Aaa	AAA	3.250	5.060	2,000,000.00	1,970,408.12	1,994,060.00	23,651.88	

CITY OF SANTA BARBARA
Investment Portfolio
July 31, 2008

DESCRIPTION	PURCHASE DATE	MATURITY DATE	QUALITY RATING MOODY'S	QUALITY RATING S & P	STATED RATE	YIELD AT 365	FACE VALUE	BOOK VALUE	MARKET VALUE	BOOK GAIN/(LOSS)	COMMENTS
TOYOTA MOTOR CREDIT	02/28/06	12/15/08	Aaa	AAA	5.500	5.016	2,000,000.00	2,003,300.10	2,008,020.00	4,719.90	
TOYOTA MOTOR CREDIT	10/19/06	03/15/10	Aaa	AAA	4.250	5.140	2,000,000.00	1,973,772.40	2,033,580.00	59,807.60	
WELLS FARGO & CO.	02/13/06	08/15/08	Aa1	AA+	4.000	5.000	2,000,000.00	1,999,277.03	2,000,780.00	1,502.97	
WELLS FARGO & CO.	05/30/07	01/12/11	Aa1	AA+	4.875	5.260	2,000,000.00	1,982,961.92	2,024,800.00	41,838.08	
WELLS FARGO & CO.	10/10/06	08/09/10	Aa1	AA+	4.625	5.000	2,000,000.00	1,986,284.02	2,017,820.00	31,535.98	
Subtotal, Corporate Securities							19,250,000.00	19,206,386.09	19,463,285.00	256,898.91	
SB AIRPORT PROMISSORY NOTE											
SANTA BARBARA AIRPORT	07/01/08	01/01/09	-	-	6.500	6.500	7,800,000.00	7,800,000.00	7,800,000.00	0.00	
Subtotal, SBA Note							7,800,000.00	7,800,000.00	7,800,000.00	0.00	
TOTALS							164,145,000.00	163,772,160.34	165,371,716.05	1,599,555.71	

Market values have been obtained from the City's safekeeping agent, Santa Barbara Bank and Trust (SBB&T). SBB&T uses Interactive Data Pricing Service, Bloomberg and DTC.